

STATE OF MICHIGAN  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
FISCAL YEAR ENDED SEPTEMBER 30, 1999

**NOTE 6 – TAXES RECEIVABLE**

In general, taxes receivable represent amounts due to the State at September 30 that were received by the State within approximately 60 days after that date. Sales, use, and income taxes are accrued to the extent that the related sales or wage payments occurred prior to October 1 and tax payments were received prior to December 1. Annual tax payments (i.e., those paid with an annual return, such as individual personal income taxes filed in April) have not been accrued because they are neither reasonably estimable nor available. Single business tax revenue is similarly accrued, with receipts received prior to December 1 (i.e., quarterly filings due November 30) recognized as revenue to the extent that the activities being taxed occurred prior to October 1. The State property tax is assessed by local units of government, as agents for the State.

Taxes are due and payable at the same time as local unit taxes and are generally divided into a summer portion payable to the local units on the succeeding July 1 and a winter portion due December 31. The State accrues revenues received by the State or the local units on its behalf during October and November. Since the property taxes are levied and received by the local units, it is not feasible for the State to measure and record delinquent amounts receivable and, therefore, no delinquent amounts are recorded or reflected in the table below. The accrued telephone and telegraph taxes are due December 1 and were received at approximately that time. Delinquent taxes are recognized to the extent that they will be collected within 12 months, except for the Michigan Unemployment Compensation Fund (expendable trust) which only records taxes received within 60 days as receivables.

Taxes receivable (amounts expressed in millions), as of September 30, consisted of the following:

<u>Tax</u>	FUND TYPES			
	General	Special Revenue	Expendable Trust	Total
Sales & use	\$ 286.1	\$ 475.0	\$ -	\$ 761.1
Individual income	745.0	-	-	745.0
Single business	733.9	-	-	733.9
State education (property) tax	-	442.6	-	442.6
Telephone & telegraph	16.3	-	-	16.3
Motor fuel	-	160.4	-	160.4
Insurance - retaliatory	57.2	-	-	57.2
Estate & inheritance	27.0	-	-	27.0
Tobacco products	22.0	39.7	-	61.7
Unemployment	-	-	129.5	129.5
Other	17.8	41.4	-	59.2
Penalties and interest	804.8	.1	-	805.0
Gross taxes receivable	\$ 2,710.0	\$ 1,159.2	\$ 129.5	\$ 3,998.8
Less allowance for uncollectibles	(1,404.6)	(293.0)	-	(1,697.5)
Total taxes receivable (net)	<u>\$ 1,305.4</u>	<u>\$ 866.2</u>	<u>\$ 129.5</u>	<u>\$ 2,301.2</u>
<u>As Reported on Balance Sheet</u>				
Current taxes receivable	\$ 1,225.9	\$ 854.0	\$ 129.5	\$ 2,209.5
Noncurrent taxes receivable	79.6	12.2	-	91.8
Total taxes receivable (net)	<u>\$ 1,305.4</u>	<u>\$ 866.2</u>	<u>\$ 129.5</u>	<u>\$ 2,301.2</u>